

CLARK HILL PLC  
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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Chapter 11
	)	Case No. 09-50026 (REG)
GENERAL MOTORS CORP, <i>et al.</i> ,	)	(Jointly Administered)
	)	
Debtors.	)	

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**LIMITED OBJECTION OF GAIL & RICE INC. TO NOTICE OF (I) DEBTORS'  
INTENT TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS,  
UNEXPIRED LEASES OF PERSONAL PROPERTY, AND UNEXPIRED LEASES OF  
NONRESIDENTIAL REAL PROPERTY AND (II) CURE  
AMOUNTS RELATED THERETO**

Gail & Rice Inc. ("**Gail & Rice**") submits this limited objection (the "**Objection**") and respectfully states as follows:

1. The above-captioned Debtors (collectively, as applicable, the "**Debtors**") served Gail & Rice with a *Notice of (I) Debtors' Intent to Assume and Assign Certain Executory Contracts, Unexpired Leases of Personal Property and Unexpired Leases of Nonresidential Real Property and (II) Cure Amounts Related Thereto* (the "**Cure Notice**") dated June 5, 2009 in which the Debtors express their intention to assume and assign to Vehicle Acquisition Holdings LLC (the "**Purchaser**") certain contracts (the "**Assumable Executory Contracts**") between Gail & Rice and the Debtors.

2. Section 365(b)(1)(A) of the Bankruptcy Code provides that the trustee may not assume an executory contract unless the trustee “cures, or provides adequate assurance that the trustee will promptly cure” any default under the contract. 11 U.S.C. § 365(b)(1)(A). According to the United States Court of Appeals for the Second Circuit, “[i]f the debtor is in default on the contract, it will not be allowed to assume the contract unless, at the time of the assumption it, *inter alia*, (a) cures, or provides adequate assurance that it will promptly cure, the default, and (b) provides adequate assurance of its future performance of its obligations under the contract. . . . Congress's intent in imposing these conditions on the ability of the debtor to assume the contract was “to insure that the contracting parties receive the full benefit of their bargain if they are forced to continue performance.” *In re Ionosphere Clubs, Inc.*, 85 F.3d 992, 999 (2nd Cir. 1996) (*internal citations omitted*).

3. On the Contract Website<sup>1</sup>, the Debtors identify the Assumable Executory Contracts and assert \$3,652,847.62 as the corresponding cure amount (the “**Cure Amount**”) that the Debtors believe is sufficient to cure all prepetition defaults under the Assumable Executory Contracts as of June 1, 2009.

4. Gail & Rice does not object, *per se*, to assumption and assignment of the Assumable Executory Contracts to Purchaser.

5. Gail & Rice does object, however, to the Cure Notice to the extent that the proposed Cure Amount is incorrect and does not reflect all defaults under the Assumable Executory Contracts.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Cure Notice.

6. Specifically, with respect to the identified Assumable Executory Contracts, there is a prepetition balance owed to Gail & Rice in an amount that is not less than \$3,943,975.36. A discrepancy of \$291,127.74 exists between the asserted Cure Amount and the actual amounts owed to Gail & Rice (the “**Cure Discrepancy**”). A spreadsheet identifying the invoices and amounts due thereon which comprise the Cure Discrepancy is attached as *Exhibit A* hereto.

7. Gail & Rice also objects to the Cure Notice insofar as any postpetition performance by Gail & Rice of the Assumable Executory Contracts may give rise to additional accounts receivable that, as of the prospective time of assumption and assignment, may be due or past-due and properly included in the Cure Amount.

8. Notwithstanding the foregoing, Gail & Rice further reserves its rights, in the event that the Assumable Executory Contracts are not assumed, to assert any claims for damages, which claims may include all amounts allowable under applicable law.

9. Gail & Rice further objects to the adequacy and the accuracy of the Cure Notice insofar as there may be other contracts with Gail & Rice that may or will be assumed and assigned but which have not been included in the Cure Notice.

10. Gail & Rice reserves the right to amend or supplement this Objection as additional facts are learned.

Dated: June 12, 2009

Respectfully submitted,

CLARK HILL PLC

/s/ Robert D. Gordon

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## **EXHIBIT A**

Invoices missing from "Cure List"				Current Cure Amount		\$3,652,847.62					
				Co#		Amount	Inv #	Job #	Date Invoice		
	GM Shared Fin'l Svcs			GEN144	Geff Phillips	61.89	50904	128987	5/27/2009		
	GM Corp			GEN209	John Trouba	40,294.04	50925	128189	5/29/2009		
	Corp Staffing			GEN212	Kristy Fisher	8,180.00	49825	128291	1/29/2009		
	Corp Staffing			GEN212	Kristy Fisher	3,072.00	49861	128315	2/5/2009		
	Corp Staffing			GEN212	Kristy Fisher	8,720.00	49862	128292	2/5/2009		
	Hummer			GEN218	Marci R	12,224.38	50935	128274	6/1/2009		
	Saab			GEN220	Marci R	13,639.39	50936	128270	6/1/2009		
	GMC Marketing			GMC040	John Trouba	4,831.89	45399	123991	10/19/2004		
	GM FSS ABP			GMF005	John Trouba	28,537.20	50875	122895	5/19/2009		
	GM FSS ABP			GMF005	John Trouba	30,715.49	50923	122895	5/28/2009		
	Olympic Receipting			OLI003	Tracy Munoz	820.00	49921	128285	2/12/2009		
	Olympic Receipting			OLI003	Tracy Munoz	38,844.17	50927	128805	5/29/2009		
	Olympic Receipting			OLI003	Tracy Munoz	1,008.00	50928	128810	5/29/2009		
	GM FSS ABP			GEN207	Kristy Fisher	13,121.83	50973	127306	5/1/2009		
	GM FSS ABP			GEN207	Kristy Fisher	6,144.68	50968	127013	5/25/2009		
	GM FSS ABP			GMF005	John Trouba	20,679.00	50983	122895	5/15/2009		
	GM FSS ABP			GMF003	Product Group	12,789.50	50982	128016	2/17/2009		
	GM FSS ABP			GMF003	Product Group	14,820.52	50981	128179	1/16/2009		
	GM FSS ABP			GEN207	Kristy Fisher	13,158.23	50980	127306	5/1/2009		
	GM FSS ABP			GMF003	Product Group	6,232.50	50979	127600	8/11/2008		
	GM Shared Fin'l Svcs			GEN144	Geff Phillips	329.26	50970	126452	5/12/2009		
	GM FSS ABP			GMF005	John Trouba	12,903.77	50990	122895	5/29/2009		
						291,127.74					
						\$3,943,975.36					